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April 30, 1998

1998 MAY 1 10 11 30

Via Federal Express

Patrick Sharpe, Esquire
Premerger Notification Office
Federal Trade Commission
6th Street & Pennsylvania Avenue, N.W.
Washington, DC 20580

Re: HSR Notification with Respect to Acquisition of the Outstanding Interest in an LLC

Dear Patrick:

Pursuant to our telephone conversations of last week, I am writing to seek your guidance regarding the size of the transaction at issue and whether a HSR filing will be required under the following circumstances:

The contemplated transaction relates to a LLC which was formed in 1996. My client, [Redacted], an indirectly wholly-owned subsidiary of [Redacted] (formerly, [Redacted]) each took a 50% interest in the LLC. [Redacted] and [Redacted] are not part of the same "person" and have different ultimate parent entities. [Redacted] then entered into a transaction pursuant to which it purchased an undivided 50% interest in all of the assets and certain liabilities of [Redacted] immediately after this purchase (on the same day) [Redacted] each contributed its respective 50% interest in the assets and liabilities to the LLC. In connection with [Redacted] purchase of an undivided 50% interest in all of the assets and certain liabilities of [Redacted] filed a notification and report form and observed the waiting period. For your information, I am enclosing a copy of [Redacted] HSR filing from 1996.

vs? 801.40? - No

Now, [Redacted] will purchase [Redacted] 50% interest in the LLC for less than \$15 million. The parties have not entered into a new agreement with respect to this transaction:

the fair market value for the LLC is not precise. Filed for under the 10.49.

instead, the purchase is being made pursuant to a "Call Option," including an established formula

[Redacted]

[REDACTED]
Patrick Sharpe, Esquire
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for calculating the acquisition price, contained in the Limited Liability Agreement executed by the parties in order to provide for the operation and management of the LLC.

Based on our previous conversations, it is my understanding that for HSR purposes, the proposed transaction is treated as an acquisition of the remaining partnership interests and, as such, an acquisition of the assets underlying the partnership. Here, however, [REDACTED] already acquired an undivided 50% interest in these same assets in a reported transaction approximately two years ago. Thus, attributing 100% of the value of all of the assets, seems illogical. As of March 31, 1998, the LLC's balance sheets reflects total assets of \$13,734,476.90 and total liabilities of \$7,944,741.08.

In addition, we request that the enclosed be kept confidential and not be disclosed to any person who is not an employee of the FTC.

If you have any questions or comments, please call. As always, your assistance is very much appreciated and I look forward to hearing from you at your earliest convenience.

when the fair market value for the 50% int remain not as filed

Very truly yours,
[REDACTED]
[REDACTED]
[REDACTED]

Enclosures

when the company [REDACTED] previously contributed its 50% interest in the manufacturing facility, it no longer held the asset even though it had a 50% interest in the LLC. As a result of this acquisition, [REDACTED] will hold 100% of the underlying assets and must file for this because the Fair market value is \$19.2 million according to counsel for [REDACTED] file for this transaction. called [REDACTED] 5/5 and informed her of the above. (P)